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TO RUEHC/SECSTATE WASHDC 4303
INFO RUEHAC/AMEMBASSY ASUNCION 6924
RUEHBO/AMEMBASSY BOGOTA 4272
RUEHBR/AMEMBASSY BRASILIA 8160
RUEHBW/AMEMBASSY BUENOS AIRES 5405
RUEHBY/AMEMBASSY CANBERRA 0066
RUEHCV/AMEMBASSY CARACAS 2635
RUEHPE/AMEMBASSY LIMA 2795
RUEHMN/AMEMBASSY MONTEVIDEO 4717
RUEHOT/AMEMBASSY OTTAWA 0475
RUEHQH/AMEMBASSY QUITO 5266
RUEHSG/AMEMBASSY SANTIAGO 9872
RUEHKO/AMEMBASSY TOKYO 0310
RUEHWL/AMEMBASSY WELLINGTON 0003
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SUBJECT: HUANUNI UPDATE: BACK TO WORK

REF: A. LA PAZ 1928

B. LA PAZ 1860

Summary

¶1. (SBU) After more than a week of lost production, the state-salaried miners at Huanuni returned to work July 12. Both sides are claiming victory, but it seems that the GOB made significant concessions to the protesters (including dropping charges against those who had attempted to enter La Paz with explosives). The government has therefore once again given in when faced with street protests, adding to a worrisome precedent. End summary.

Details of the Agreement

¶2. (SBU) According to Bolivia's official news agency, the following demands of the Huanuni miners will be met:

(a) The GOB will promote the conversion of Supreme Decree 28901 into law using its MAS representatives in congress. With this demand, the salaried miners particularly want the continued and enforced exclusion of cooperative miners from Huanuni (see paragraph 4 for discussion).

(b) The GOB and miners will work on a bill that will make the state have a monopoly on the marketing and sale of tin. Note: Of the three largest U.S. investments in Bolivia, only San Bartolome's deposits contain tin and it is not integral to their profitability.

(c) Create a tripartite commission including the Bolivian Mining Company (COMIBOL), Huanuni miner representatives, and the GOB (Ministries of Interior and Mining) to improve the management of the Huanuni mine.

(d) The GOB promised to seek financing and investment for the construction of a new mill. (Note: sources have told Emboff that the amount originally requested for a new mill by the Huanuni miners was highly inflated, either in anticipation of government low-ballng or in preparation for mismanagement and theft.)

(e) The GOB promised to facilitate the construction of a hospital in Huanuni. This was not among the original requests of the miners.

(f) A commission will be created to consider improvements in benefits (including salaries) for the miners.

(g) The GOB agreed to drop charges against miners detained for carrying explosives.

The salaried miners had originally included in their demands a call for the resignations of numerous high-level national and departmental officials, including the mining minister, labor minister, and head of COMIBOL. The two ministers are listed among the signatories to the new agreement.

Implications

¶3. (SBU) The apparent victory of the Huanuni miners, despite their widely unpopular protests that shut down a large part of the country, stranded travelers and caused reported losses of USD200,000 daily, sets yet another negative precedent for rule of law in Bolivia. Individuals who two days ago were labeled by the GOB as dangerous (transporting weapons, explosives and drugs) now face no repercussions for their actions. Instead, the GOB news source states that the prefecturale of Oruro and the national police are responsible for the defense of the mining company and the population (there is no mention of the 300 soldiers who had been sent before the strike at the request of the miners to keep the peace and who are currently being withdrawn.)

More Protests to Come?

¶4. (SBU) The state-salaried miners have pitted themselves explicitly against the cooperatives in Huanuni, and this agreement with the GOB can be seen as a victory of the salaried miners over the cooperatives. The cooperatives have also won significant concessions from the GOB in the past through the use of street protests, and sources suggest to Emboff that the cooperatives are preparing counter-protests within the next week, possibly to demand state funding to find new deposits to replace the cooperative mines in Huanuni which were nationalized.

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